

**NATIONAL DAIRY MARKET AT A GLANCE**

**CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (11/23)**  
**BUTTER:** Grade AA closed at \$1.4000. The weekly average for Grade AA is \$1.4013 (-.0470).

**CHEESE:** Barrels closed at \$1.3550 and blocks at \$1.3825. The weekly average for barrels is \$1.3467 (+.0217) and blocks, \$1.3758 (+.0048).

**BUTTER:** The butter market is weak as the cash price has declined in recent trading sessions to \$1.4000. Churning activity is seasonally strong as cream supplies are more readily available than anticipated. Butter producers and handlers anticipate that additional cream offerings will become available to them during the upcoming Thanksgiving holiday weekend. Many butter producers state that they will be willing to take advantage of the additional cream offerings, especially if favorably priced to maintain plant capacities and efficiencies. Already at midweek, favorable delivered prices were being reported. Stocks of butter are readily available, although, in instances, not in desired packages. A recent increase in print butter demand has some buyers unable to locate desired volumes. Recent price weakness has some retailers reconsidering feature activity during the next few weeks. Thanksgiving needs have been covered and now butter producers and handlers are addressing year end needs. Many butter producers state that orders are strong for December needs. Food service orders are good as operations prepare for the holiday season.

**CHEESE:** The cheese market is steady to firm. Bulk cheese needs were generally lighter with many processors and packagers closed an extra day for the Thanksgiving observance. Cheese demand continues to lag the usually strong fall demand and consistency. A few buyers are still trying to make last minute year end holiday purchases. Swiss interest remains strong and mozzarella is holding at fairly good levels. Natural American demand is moderate. Process interest is generally seasonal. Cheese production is about steady at the lower end of the production cycle. Many firms continue to have difficulty in finding rail cars and/or trucks/truckers to move product. On November 22, the CWT cheese export program was modified to include other cheese varieties such as Colby, Monterey Jack, Gouda, Swiss, and various types of Mozzarella rather than strictly cheddar. Also, members may now sell through exporters for resale in export markets, subject to maintaining ownership when the bid is submitted. A bid was accepted from a program participant to ship about 158,000 pounds to South Korea.

**FLUID MILK:** Milk production seems to be relatively steady in most areas of the country. Most gains that have been reported are in the Southeast and contacts in the Northeast feel they are now at the bottom of their annual production cycle. Bottled milk sales are improving and bottlers have been very active early in the week, but most will be down for the holiday and very busy over the holiday weekend refilling school lunch pipelines. Surplus milk volumes are heavier this holiday week, but most contacts feel/hope that there will be few problems handling the extra milk. The fluid cream market is weaker as Class II cream sales slowed along seasonal patterns. Multiples dropped significantly as suppliers tried to stimulate/maintain class II sales. Diversions to the churn are expected to rise during the holiday weekend. Transportation continues to be an issue in the fluid markets.

**DRY PRODUCTS:** The NDM market is little changed as there was relatively little activity this holiday-shortened week. Prices were often lower, but many contacts still report finding resale loads at prices below what most producers are now offering. The dry whey market is generally firm and prices are steady to higher. Supplies are often tight at the producer level; adequate in the resale market. Domestic demand, though not overly aggressive, is steady and easily clears any spot offerings that do occur. The WPC market remains weak and prices are mixed, mostly lower. Producer stocks are light for those who contracted most of their output, but more than ample for those producers who rely mostly on the spot market to clear inventories.

**CCC:** During the period of November 21 - 22, there was no dairy price support activity.

The Kansas City Commodity Office announced the sale of 1,027,315 pounds of NDM for unrestricted use, in 25 Kg bags, at \$.8026 - .9645 per pound and 4,352 pounds for restricted use at \$.7201.

**COLD STORAGE (NASS):** On October 31, U.S. cold storage holdings of butter totaled 100.53 million pounds, 19.0% less than a month ago and 6.2% less than last October 2004. Natural American cheese holdings total 524.59 million pounds, 4.9% less than a month ago, and 0.7% below last October.

**THE DAIRY OUTLOOK (USDA, ERS):** Heavy milk supplies have eroded butter and cheese prices since mid-September, despite brisk sales and moderate stocks. Price declines were fairly steady through October, with attempted reversals not sustained for any amount of time. Summer increases in milk production from a year earlier were in excess of 4%, and early autumn rises probably were at least as large. August-September cheese production grew more than 4% from a year earlier, with the largest gains in Mozzarella and some additional varieties other than Cheddar. This extra cheese was absorbed fairly easily as October 1 commercial stocks of all cheese were close to a year earlier. Prices on the CME fell about 20 cents per pound between mid-September and mid-November. Steady to declining prices are likely during the rest of the year, although small bumps are possible if pipelines get drained alarmingly. Patterns in the butter market were quite similar to cheese. The full weight of growing milk supplies probably will be felt after holiday needs are met. Supplies are expected to overcome fairly good demand and lower dairy product prices. Even so, prices are projected to remain relatively robust through the winter. The pattern of winter prices will set the tone for dairy markets during the rest of 2006.

**DECEMBER ANNOUNCED COOPERATIVE CLASS I PRICES (DAIRY PROGRAMS):** For December 2005, the all-city average announced cooperative Class I price was \$17.82, \$1.72 higher than the Federal milk order Class I price average for these cities. The December cooperative Class I price was \$.90 lower than the November price, while the December Federal order Class I price was \$.99 lower. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.15 in Phoenix, AZ, to \$3.24 in Miami, FL. For December 2004, the all-city average announced cooperative Class I price was \$18.42, \$1.46 higher than the Federal order Class I price average for these cities.

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**CHICAGO MERCANTILE EXCHANGE  
 CASH TRADING**

PRODUCT	MONDAY NOVEMBER 21	TUESDAY NOVEMBER 22	WEDNESDAY NOVEMBER 23	THURSDAY NOVEMBER 24	FRIDAY NOVEMBER 25	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	\$1.3425 (N.C.)	\$1.3425 (N.C.)	\$1.3550 (+.0125)	CME	CME	(+.0125)	\$1.3467 (+.0217)
40# BLOCKS	\$1.3725 (N.C.)	\$1.3725 (N.C.)	\$1.3825 (+.0100)	CLOSED	CLOSED	(+.0100)	\$1.3758 (+.0048)
BUTTER GRADE AA	\$1.4025 (-.0425)	----	\$1.4000 (-.0025)	NO TRADING	NO TRADING	(-.0450)	\$1.4013 (-.0470)

CHEESE: carload = 40,000-44,000 lbs., BUTTER: carlot = 40,000-43,000 lbs. \*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM NOTE: CME NDM on Page 2.

**CHICAGO MERCANTILE EXCHANGE**

MONDAY, NOVEMBER 21, 2005

CHEESE — SALES: 2 CARS BARRELS @ \$1.3425; 3 CARS 40# BLOCKS @ \$1.3725; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$1.3725; OFFERS UNCOVERED: NONE

BUTTER — SALES: 2 CARS GRADE AA: 1 @ \$1.4225, 1 @ \$1.4025; BIDS UNFILLED: 6 CARS GRADE AA: 2 @ \$1.4000, 2 @ \$1.3900, 2 @ \$1.3800; OFFERS UNCOVERED: 9 CARS GRADE AA: 2 @ \$1.4100, 2 @ \$1.4150, 1 @ \$1.4275, 1 @ \$1.4300, 1 @ \$1.4375, 1 @ \$1.4450, 1 @ \$1.4475

TUESDAY, NOVEMBER 22, 2005

CHEESE — SALES: 5 CARS 40# BLOCKS @ \$1.3725; BIDS UNFILLED: 2 CARS BARRELS @ \$1.3425; 2 CARS 40# BLOCKS: 1 @ \$1.3725, 1 @ \$1.3700; OFFERS UNCOVERED: NONE

WEDNESDAY, NOVEMBER 23, 2005

CHEESE — SALES: 8 CARS BARRELS: 5 @ \$1.3450, 2 @ \$1.3475, 1 @ \$1.3525; 7 CARS 40# BLOCKS: 3 @ \$1.3750, 2 @ \$1.3775, 2 @ \$1.3800; BIDS UNFILLED: 1 CAR BARRELS @ \$1.3550; 10 CARS 40# BLOCKS: 2 @ \$1.3825, 2 @ \$1.3800, 1 @ \$1.3775, 2 @ \$1.3750, 3 @ \$1.3725; OFFERS UNCOVERED: NONE

BUTTER — SALES: 6 CARS GRADE AA: 3 @ \$1.4025, 3 @ \$1.4000; BIDS UNFILLED: 9 CARS GRADE AA: 2 @ \$1.4000, 2 @ \$1.3975, 1 @ \$1.3950, 2 @ \$1.3900, 2 @ \$1.3800; OFFERS UNCOVERED: 1 CAR GRADE AA @ \$1.4100

THURSDAY, NOVEMBER 24, 2005

CME CLOSED-NOT TRADING

FRIDAY, NOVEMBER 25, 2005

CME CLOSED-NOT TRADING

**CME CASH NONFAT DRY MILK:** Extra Grade closed the week at \$0.9625 and Grade A at \$0.9950. (The last price change for Extra Grade occurred March 30 and the last price change for Grade A occurred October 24.) The weekly average for Extra Grade is \$0.9625 (N.C.) and Grade A is \$0.9950 (N.C.).

**BUTTER MARKETS****OCTOBER COLD STORAGE**

According to NASS, October month-ending cold storage figures for butter total 100.5 million pounds, 6.2% less than last October and 18.0% less than September 2005.

**NORTHEAST**

The butter market remains weak. Last week's early-week increases in the CME cash butter price brought hope to some that the market was getting ready for the holiday rush. However, through 11/21, that hope was tempered as the higher prices were not sustained; even losing ground from the 11/14 price. With most Thanksgiving needs already shipped, producers are preparing for the anticipated surge in cream supplies and slower butter shipping schedules. Churning activity was light last week, but expected to be heavy during most of this and next week. The lower than expected butter price is helping sales, but retail consumption, without widespread features, is lagging expectations. Butter stocks are ample. Buyers have little difficulty finding and procuring desired volumes of bulk. Most print butter needs are ordered and being packaged. Food service orders are also improved as this week will be a busy one for restaurateurs. Sales of bulk butter f.o.b. East, are reported in a range from flat market to 3.0 cents over the CME price/average.

**CENTRAL**

The cash butter market is weak as the price declined 6 cents in the two most recent trading sessions to \$1.4025 on Monday. Many traders and handlers did not foresee prolonged strength. Churning activity remains seasonally strong for this time of the year. Butter producers were often looking for additional cream to maintain plant capacities and efficiencies. Surplus cream offerings vary, depending on Class II demand. For the most part, Central butter producers indicate that offerings are heavier than anticipated. Most feel that this week, offerings will be heavier as Class II demand weakens as the Thanksgiving holiday and weekend approaches. Many

butter producers state that they will be willing to take advantage of the additional cream offerings, especially if favorably priced. Butter demand remains strong. A few last minute Thanksgiving orders were reported late last week, but for the most part, Thanksgiving needs are filled. Yearend holiday orders continue to be placed as some retailers try to acquire additional print butter stocks for last minute feature activity. Many retailers are not finding additional print butter supplies to be readily available. Most stocks are committed and the calendar indicates that time is running out for frozen bulk butter to be repackaged and on the store shelf in time for timely features. Food service orders remain good. Bulk butter for spot sale is being reported in the flat – 2 cents per pound over various pricing basis.

**WEST**

Cash butter prices at the CME had gained 6 ¼ cents early last week, but started losing steam later in the week and early this week. Prices are back down 6 cents and now stand at \$1.4025. Contacts expected a pre-holiday rally, but they thought it might last more than two days. Cream supplies are still heavier than normal, but Class II items are taking some additional butterfat at this time. This demand, of course, is seasonal and will only last a short period of time until holiday orders are filled. Churning is heavier than anticipated and is likely to remain that way. Bulk butter is available for sale. Some prints are available, but those supplies are much more limited. Most print machines are scheduled out for most of the rest of the year. More holiday butter promotions are noted at the retail level. Food service orders are good as operations prepare for the holiday season. *Cold Storage* stocks of butter at the end of October total 100.5 million pounds, down 6% from last year (6.6 million pounds) and down 19% (23.5 million pounds) from last month. The six year average for the end of October level is 108.5 million pounds. Bulk butter prices range from 1 cent under to 3 1/2 cents under based on the CME with various time frames and averages.

**NASS DAIRY PRODUCT PRICES****DATA WAS NOT AVAILABLE AT THE TIME THIS REPORT WAS PUBLISHED**

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

## CHEESE MARKETS

## NORTHEAST

Prices are unchanged to fractionally lower and the market tone remains relatively weak. Cheese output in the Northeast is steady, but producers do expect more milk to be available during the Thanksgiving week. Demand for cheese is fair to good and more interest is being seen on aged cheddar and gift pack items. Sales of current styles are just fair as most retailers are waiting to see how good Thanksgiving sales were before reordering. Also, with the CME prices holding relatively stable, buyer are less likely to buy too far beyond normal week-to-week volumes. Producer stocks are adequate to cover current needs. With Thanksgiving and the beginning of Christmas shopping season, food service orders are improving.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4525-1.9725
Cheddar Single Daisies	:	1.4100-1.8850
Cheddar 40# Block	:	1.5100-1.7825
Process 5# Loaf	:	1.5350-1.7750
Process 5# Sliced	:	1.5550-1.7825
Muenster	:	1.5250-1.7250
Grade A Swiss Cuts 10 - 14#	:	2.4500-2.6500

## MIDWEST

The cheese market is about steady for the holiday abbreviated week. Processors and packagers will be down an extra day this week for the holiday observance though a few may need to run a few lines on Saturday. Demand has shown a small spurt recently, but consistent demand still seems to evade the market. Most year end holiday orders are in the pipeline or being readied for shipment. Many buyers are limiting purchases to the short term, through the year end holidays. Many buyers and sellers expect price weakness could occur by early 2006. Cheese production is about steady at the lower end of the annual production cycle. Cheese yields are seasonally strong. Extra milk is expected to back up into manufacturing channels over Thanksgiving weekend though usually extra volumes are limited. Trucking remains a problem, particularly on many longer hauls.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.5750-1.9200
Brick And/Or Muenster 5#	:	1.9175-1.9200
Cheddar 40# Block	:	1.7150-2.2650
Monterey Jack 10#	:	1.9500-2.2650
Blue 5#	:	2.2150-2.6200
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.5475-2.3650
Grade A Swiss Cuts 6 - 9#	:	2.4300-2.8900

WEEKLY COLD STORAGE HOLDINGS-SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
	:	:
11/21/05	28,767	: 128,369
11/01/05	32,168	: 133,733
CHANGE	-3,401	: -5,364
% CHANGE	-11	: -4

## WEST

The cash block cheese market at the CME has been very steady for the last few weeks. Block prices had held at \$1.37 for nine trading sessions until it moved up a ¼ cent last week to stand at \$1.3725. Small volumes of cheese have been exported through the CWT program over the last two weeks. Demand for number one block cheese in the West is only fair. There is no aggressiveness on the buyer side. Some cheese stocks are available, but supplies are not heavy. Some contacts are looking at the calendar and are wondering if the market will face some problems filling orders in a timely fashion for end of the year needs. Production schedules are above anticipated levels. Mozzarella demand is seasonal. Swiss interest is rated as good as the holidays approach. *Cold Storage* stocks of American cheese at the end of October total 524.6 million pounds, down 1% (3.6 million pounds) from last year and down 5% (26.8 million pounds) from last month. The six year average stock level for October 31 is 495 million pounds. Swiss stocks total 25.5 million pounds, down 3% from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.4750-1.7325
Cheddar 40# Block	:	1.4900-1.8425
Cheddar 10# Cuts	:	1.6700-1.8900
Monterey Jack 10#	:	1.6800-1.8400
Grade A Swiss Cuts 6 - 9#	:	2.2500-2.7000

## FOREIGN

Prices and the market tone are unchanged. Demand for foreign type cheese is improving along seasonal patterns. Supplies are adequate to cover needs. During the first ten months of 2005, imports of cheese subject to licensing totaled 100.61 million Kg, 0.5% above the same period last year. During that same period, imports of high-tier cheese totaled 9.76 million Kg, 49.4% less than the first ten months of 2004.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.6300	: 1.7650-3.2550
Gorgonzola	: 3.6900-5.9400	: 2.2750-2.4900
Parmesan (Italy)	: TFEWR	: 3.1800-3.2850
Romano (Italy)	: 2.1000-3.1900	: -0-
Provolone (Italy)	: 3.4400-6.0900	: 1.7675-2.0025
Romano (Cows Milk)	: -0-	: 2.9625-5.1050
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 3.1200-4.1500	: -0-
Swiss Cuts Switzerland	: -0-	: 2.4500-2.6500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.5600	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.



## FLUID MILK AND CREAM

## E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	65	0	156	0	24	0
SOUTHEAST STATES	24	0	31	0	0	0

October milk production in the 23 major states totaled 13.35 billion pounds, up 4.1% from October 2004. The following are the October-to-October changes for selected states: Texas +9.4%, New York +5.0%, Pennsylvania +4.8%, Virginia +2.1%, Vermont +1.4%, Florida -0.6%, and Kentucky -6.2%. Milk production is mostly steady in the Northeast and Florida; steady to heavier in most of the Southeast and Middle Atlantic areas. Milk supplies are still ample for overall needs. Bottlers in much of the region were adding loads to their early-week orders as they step up processing before being down for Thanksgiving. According to contacts, if historical patterns are followed, these same plants that are adding loads will be cancelling loads on Wednesday because they have too much milk. School lunch needs will be lower this week as vacation periods begin at midweek. Surplus milk volumes are starting to increase, but there seems to be ample capacity to handle this week's extra milk. Shipments into the Southeast are lower this week and handlers have enough local milk to carry them through Thanksgiving weekend. Manufacturing plants in the Southeast are preparing to handle the extra milk. One operation down since Katrina is getting back on line and taking some milk, which will ease the pressure on other operations. Florida handlers entered the week with very little milk on hand. This will allow them to clear their own milk during the holiday weekend. Finding trucks and drivers continues to be a major issue. The condensed skim market is steady to slower after a generally good week last week. Some dryers have increased shifts to handle the additional volumes. The fluid cream market is weak. Offerings are increasing and demand is slowing. Spot prices are mixed. Some higher prices were noted early in the week, but after midweek lower multiples were the rule rather than the exception. Some suppliers lowered multiples to keep cream moving into Class II plants rather than divert it to Class IV operations at even lower multiples. Class II product output is lower and more excess cream is looking for homes. Butter makers are taking more cream, but multiples they are willing to pay are often lower. Ice cream production is slower as many producers will be down for various periods of time this week and next. Production of dips, sour cream, egg nog, and bottled cream is slowing along typical patterns. Early in the week, relatively little excess cream cleared to Midwestern butter makers, but contacts felt that volume would increase later in the week.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7380-2.0131
DELIVERED EQUIVALENT ATLANTA	-	1.7524-2.0276 M 1.7669-1.8538
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7959-1.8828

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.0200-1.0800
NORTHEAST- CLASS III - SPOT PRICES	- 1.0500-1.1200

## M I D W E S T

Class I interest remains strong early in the week with steady to lighter schedules closer to the Thursday holiday. Some extra holiday surplus is expected to be available to manufacturing plants. However, for at least a few bottlers, it may be more of being down just for Thanksgiving and then run heavier before and/or after the holiday to compensate. Supplemental fluid shipments into the Southeast continue, but at even lighter levels than earlier in the month. Class

II demand was strong early for holiday items such as whipped cream and dips. Manufacturing milk demand is uneven, often lighter. Spot manufactured milk prices range from around flat class to a high of \$1.75 over class fob. Going into the holiday weekend, buyers were trying to source milk around flat class with sellers generally still wanting a premium. More cheese plant operators are trying to balance milk supplies with orders and are cutting back on speculative production. Overall, pre-holiday spot offerings are fairly light. Cream demand is often slower with multiples uneven, though mostly near the lower end of the range. Churning remains seasonally active with heavy schedules expected over the holiday weekend. Plant milk intake patterns are little changed from recent weeks with intakes expected by the industry to turn the more consistent corner of steadier increases after the Thanksgiving/deer hunting holidays. Manufacturing plant operating schedules are generally light seasonally. Manufactured product yields are at good seasonal levels.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	NOV 17 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 46.50- 50.50	\$ 49.00- 52.50
REPLACEMENT HEIFER CALVES	\$500.00-800.00	\$300.00-460.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	NOV 17 - 22	PREVIOUS YEAR
SLAUGHTER COWS	\$ 45.50- 55.50	\$ 50.50- 56.00

## W E S T

During September, cow numbers grew by 58,000 head or 0.7% in the 23 surveyed states. Looking at selected Western states compared to last year, cow number changes are as follows: Arizona -6,000 head, California +30,000, Colorado +3,000, Idaho +36,000, New Mexico +12,000, Oregon +1,000, and Washington +10,000. Production per cow for the surveyed states increased 53 pounds or 3.3% in September. Western states all increased with output for the selected states compared to last year as follows: Arizona +3.1%, California +0.6%, Colorado +4.8%, Idaho +4.4%, New Mexico +4.1%, Oregon +1.0%, and Washington +1.6%. CALIFORNIA milk production is reported as mainly steady at levels above last year by several percentage points. The call for fluid milk has been good, but bottlers were backing down as early as Monday. Some bottlers will take additional days off around the holiday. School milk orders have declined as recesses start. Several cheese producers would like more milk to keep their plants full. No problems are expected in handling milk over the holiday and through the weekend. NEW MEXICO milk output is steady and higher than last year. Current milk supplies are in good balance. Loads are moving into the Southeast under contract at a good pace and the new cheese plant is taking expected volumes of milk as the plant gears up. The new capacity will help balance any extra milk over Thanksgiving. Bottlers have backed off this week. Western CREAM supplies have gone from in balance early in the week to sloppier as the week progresses. Transportation issues are preventing cream from moving to other regions and loads are staying at local butter churns. High fat items production is being given a break over the holiday. The CME butter price closed at 1.4025 on Monday, declining 3.5 cents over the last week. Trading levels have declined the last two trading sessions. Cream multiples are lower in the 110 to 122 range, FOB, and vary depending on class usage and basing point. Weather conditions in the PACIFIC NORTHWEST are moderate and seasonal. The milk flow is not being impacted by the current conditions. Production varies from steady to slightly lower. Fat and protein tests are strong. No problems are anticipated over the holiday weekend. Quality hay supplies are quickly disappearing from the region. Contacts are somewhat concerned with the dry conditions that are prevalent in UTAH and IDAHO. They are causing no problems in the short run, but there is concern about the winter water supplies and spring cropping. The dry and cool conditions are ideal for current milk production. Milk output is holding about flat. Fat and protein tests are stronger. Heifer prices remain firm.

**NDM, BUTTERMILK & WHOLE MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL AND EAST**

**CENTRAL:** Prices are unchanged to lower on a mostly steady market. Production is increasing as milk is diverted away from bottling facilities and into NDM dryers. As some plants close for the Thanksgiving holiday, more milk is expected to be available for process at NDM dryers. Spot trade activity is best for high heat as supplies are short of buyer interest. Low heat interest is fair at best for the short holiday work week. Some trade of NDM between cheese plants continues in an attempt to defray the cost of purchasing NDM on the current market. Traders suspect as supplies of NDM increase, energy surcharges will dissipate.

**EAST:** Prices are unchanged to lower as the NASS price series (the basis for most NDM sales) decreased a penny last week. The market tone is more settled. Demand is mostly steady, but market activity for this holiday-shortened week is light. Also, there are an increasing number of comments about how little direct-from-the-producer spot sales are occurring. Many buyers comment that they can routinely find lower-priced NDM from resellers. Some powder continues to be made for export. Drying schedule were a little lighter early this week, but by midweek, most dryers were operating. Contacts feel that they will be able to handle all the Thanksgiving milk, but are skeptical about the year-end holiday period. Producer stocks range from light to ample.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: 1.0200 - 1.0850 MOSTLY: 1.0300 - 1.0650  
 HIGH HEAT: 1.0600 - 1.1350

**NONFAT DRY MILK - WEST**

Western low/medium heat nonfat dry milk prices are steady to slightly lower. Trading activity is light in a holiday shortened week. The market undertone remains unsettled with stocks available. The export market has fluctuated in the volume taken under contract and extra powder is available. Export prices are generally lower than current spot prices and have tempered national and California NDM pricing indexes. Many export sales do not have energy surcharges, which subsequently lowers selling prices and pricing indexes. Product movement into Mexico is expected to slow in mid December as holidays begin to be observed. Some cheese producers are using less NDM or have resorted to their stocks for current needs and have pushed back loads. Drying schedules are steady heading into the holiday, but are expected to grow to handle surplus milk supplies for a few days. High heat prices are steady to slightly higher. Demand is fair to good seasonally. Supplies are adequate to short of current needs as producers are not making enough high heat. From January to September 2005, exports of NDM/SMP totaled 227,720 MT (502.0 million pounds), compared to 148,194 MT (326.7 million pounds), 54% higher than the same period in 2004. During September 2005, exports totaled 40.4 million pounds.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A  
 LOW/MEDIUM HEAT: .9800 - 1.0150 MOSTLY: .9850 - 1.0150  
 HIGH HEAT: 1.0100 - 1.0600

**CALIFORNIA MANUFACTURING PLANTS - NDM**

This information was not available when this page was published. The information can be found at: [http://www.ams.usda.gov/mnreports/MD\\_DA641.txt](http://www.ams.usda.gov/mnreports/MD_DA641.txt)

**DRY BUTTERMILK - CENTRAL**

Prices are unchanged and nominal on a steady market. Spot trade activity is light during the short holiday week. With increased churn activity, condensed buttermilk production is higher. While some plants can successfully clear condensed buttermilk to end-users, others are drying loads, resulting in increased dry buttermilk production. With buyers tending to hold lighter stocks at the year end, producers are not aggressively marketing loads of dry buttermilk. Traders suspect that the market may weaken with heavier production during the holiday season.

F.O.B. CENTRAL: .9500 - 1.0000

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are unchanged and the Northeast prices remain nominal. The market tone is about steady. Demand is seldom better than fair and unaggressive. Although slow early this week, churning activity is expected to increase as more surplus milk and cream becomes available. Producer stocks are mostly adequate and growing at some locations.

F.O.B. NORTHEAST: .9600 - 1.0050  
 DELVDSOUTHEAST: .9800 - 1.0600

**DRY BUTTERMILK - WEST**

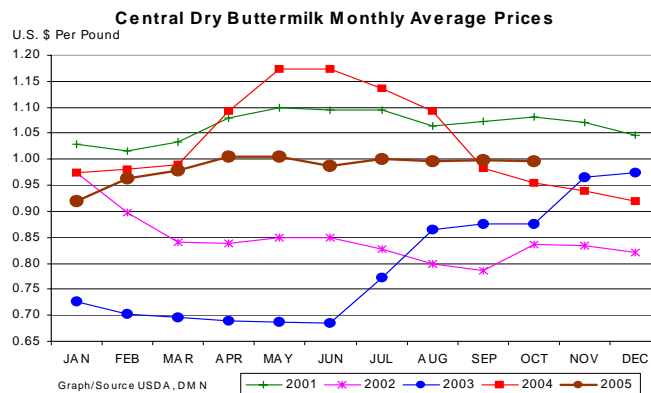
Dry buttermilk prices are unchanged in the West and the market undertone is steady to slightly weaker. Buying interest remains subdued as buyers are not actively pursuing spot loads. Contract loads are moving on slow to moderate schedules, but spot interest remains slow. Drying schedules have been high to handle the volume of solids coming off the active butter stream. The holiday weekend is not expected to have any impact on buttermilk production. Current stock levels vary from light to moderate.

F.O.B. WEST: .9100 - .9650 MOSTLY: .9150 - .9250

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged and nominal. The market tone is also steady. Production levels are light as Thanksgiving week typically has more surplus milk and dryers are trying to clear their milk as quickly as possible, which generally means making NDM. Producer stocks are closely balanced. Demand is steady.

F.O.B. PRODUCING PLANT: 1.3500 - 1.4800



**WHEY, CASEIN & EVAPORATED MILK**

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

**DRY WHEY - CENTRAL**

Prices are unchanged to higher on a firm market. Supplies are short of buyer interest. Most edible trade is contractual. Feed buyers unable to obtain Extra Grade supplies of whey are purchasing feed quality whey at prices that are nearly in line with the Extra Grade market. Higher prices in the current market are deterring buyer contractual interest in 2006. Traders and buyers are ambivalent of market conditions in the first quarter with price expected to be highly dependent on international demand and supply. Producers are anticipating tight supplies into the first quarter and beyond due to the decreasing supply of plants producing whey in the market. Resale and direct manufacture trade is generally light due in part to the short holiday work week.

F.O.B. CENTRAL: .3150 - .3500 MOSTLY: .3150 - .3250  
F.O.B. CENTRAL: ANIMAL FEED MILK REPLACER: .2900 - .3200

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are generally higher again this week. The market tone is steady at firm levels. Production levels are steady at lighter than expected levels. Few Eastern producers have product to offer on the spot market. Some remain sold out and expected to stay that way for the balance of the year. Some contacts, buyers and sellers, are commenting that they are trying to contract for next year's anticipated needs. Most contracts are expected to be at higher prices, but some feel that they would rather have product under contract at a relatively high price rather than playing the spot market. Spot demand is often filled in the resale market. Energy surcharges and transportation issues are ongoing topics of conversation.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3300 - .3400  
DELVD SOUTHEAST: .3450 - .3700

**DRY WHEY - WEST**

Western whey prices range from steady to fractionally higher. Contacts are monitoring export shipments as the year end approaches. Some shipment schedules decline sharply over the yearend holidays. Some sellers are noting a marked upturn in domestic orders. They are not sure of the cause of this increase. Production levels range from anticipated levels to a bit heavier. Stocks of powder are light and held with confidence. According to FAS dry whey exports for the first nine months of the year total 325.1 million pounds, up 32% from the same period in 2004. Exports account for about 41% of total U.S. dry whey production. The top five export destinations and their volumes are as follows: China 88.6 million pounds, Japan 42.1 million pounds, Canada 35.7 million pounds, Korea 34.0 million pounds, and Thailand 24.5 million pounds.

NONHYGROSCOPIC: .2950 - .3450 MOSTLY: .3275 - .3375

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. There is continued talk about energy surcharges, transportation issues, and packaging costs having an impact on prices. Production levels are about steady, but starting to increase as more surplus milk is available to evaporated milk producers. However, milk prices are still higher than some producers would like. Demand for canned evaporated milk at the producer level is steady and shipments are little changed. However, year-end holiday needs will resume after the Thanksgiving weekend. Finding truck and truckers continues to be an issue.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$19.50 - 30.00  
Excluding promotional and other sales allowances. Included new price announcements.

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices are mostly lower on a steady to weak market. Plants that contracted the bulk of their supplies for the year are in the best position. Others that are marketing on a spot basis are having some difficulty in clearing supplies. The WPC 80% market remains highly competitive with the WPC 34% market. Producers and traders report the market as "slow." During the period of January - September 2005, WPC 34% exports increased 16.00% whereas WPC 80% exports decreased 20.99% compared to the same period in 2004. Export quantities and percentage changes for the dominant 34% WPC markets include: Mexico 16,648,796 lbs (+44.82%), China 8,763,986 lbs (+368.09%), Canada 6,449,124 lbs (+8.75%), Japan 4,680,635 lbs (-58.82%), and Brazil 3,965,437 lbs (+2878.81%). Export quantities and percentage changes for the dominant 80% WPC markets include: Canada 4,198,620 lbs (-12.68%), Mexico 3,403,637 lbs (+96.55%), Japan 1,286,254 lbs (+12.14%), and China 1,163,712 lbs (-56.27).

F.O.B. EXTRA GRADE 34% PROTEIN: .8200 - .8700 MOSTLY: .8350 - .8400

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged on a firm market. Spot trade activity is very light with most trade occurring on a contractual basis. Inquiries are noted from both domestic and foreign markets for current shipment. Contractual negotiations for 2006 are not expected to be in full swing until mid-December. Supplies are in balance to somewhat short of buyer interest. As a result, producers are anticipating prices to remain firm into first quarter. During the period of January - September 2005, lactose exports increased 40.90% compared to the same period in 2004. Export quantities and percentage changes for the dominant markets include: Japan 42,371,682 lbs (+18.30%), China 19,483,801 lbs (+150.62%), Mexico 18,715,266 lbs (+31.12%), Vietnam 9,414,606 lbs (+44.69%) and Thailand 6,616,628 lbs (+711.38). Exports accounted for 25.00% of production during the January - September 2005 period. This compares to 17.94% for the same time period in 2004.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2000 - .2500 MOSTLY: .2050 - .2350

**CASEIN - NATIONAL**

Casein markets are generally steady at unchanged prices. Some older, lower priced, European stocks are appearing on the market which have some domestic buyers optimistic about lower prices for the future. Trader and handlers feel that once this product has cleared the marketplace, casein prices will stabilize and possibly firm, depending on availability. European sourced product appears to be sufficient to maintain scheduled shipments, although the Oceania supply situation is unclear. Milk production reports indicate that milk output, especially in New Zealand, did not attain projected levels and volumes are declining. Typically, casein production is the last to come on line as milk volumes increase and the first to disappear as milk volumes decline. Although casein production remains seasonally active, the full extent of the 2005 - 2006 casein production season is still unknown. Oceania suppliers indicate that supplies are in balance with customer needs at this time.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 3.2000 - 3.3500  
ACID: 3.2000 - 3.3000

**EVAPORATED MILK - NATIONAL -see adjacent column**

## CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	11/09	11/10	11/11	11/14	11/15	11/16	11/17	11/18	11/21	11/22
<b>CME - (CLASS III) MILK FUTURES -- Dollars per cwt</b>										
NOV 05	13.39 (2187) 22	13.37 (2201) 29	13.38 (2199) 1	13.38 (2199) 4	13.37 (2195) 11	13.35 (2195) 71	13.35 (2192) 26	13.35 (2203) 41	13.37 (2206) 72	13.37 (2201) 0
DEC 05	12.96 (2171) 155	13.00 (2203) 125	13.02 (2212) 27	13.05 (2188) 65	12.97 (2197) 22	12.90 (2234) 125	12.88 (2248) 289	12.92 (2224) 81	12.94 (2192) 53	13.00 (2139) 125
JAN 06	12.85 (1804) 68	12.86 (1819) 105	12.86 (1820) 47	12.93 (1825) 29	12.88 (1844) 37	12.76 (1885) 164	12.70 (1941) 212	12.66 (1962) 235	12.68 (1962) 34	12.73 (1946) 36
FEB 06	12.61 (1412) 36	12.62 (1437) 43	12.62 (1452) 28	12.62 (1452) 0	12.62 (1467) 29	12.54 (1570) 196	12.47 (1655) 204	12.49 (1661) 18	12.51 (1664) 22	12.54 (1668) 11
MAR 06	12.55 (1377) 21	12.53 (1385) 49	12.54 (1399) 27	12.57 (1400) 1	12.56 (1414) 32	12.51 (1473) 79	12.48 (1519) 100	12.51 (1527) 19	12.51 (1545) 21	12.51 (1591) 77
APR 06	12.45 (1408) 41	12.45 (1422) 39	12.47 (1440) 30	12.48 (1440) 2	12.47 (1455) 30	12.45 (1494) 46	12.42 (1504) 50	12.47 (1506) 9	12.47 (1510) 15	12.48 (1515) 14
MAY 06	12.51 (1355) 29	12.51 (1369) 38	12.51 (1394) 32	12.51 (1394) 0	12.51 (1408) 31	12.52 (1470) 64	12.45 (1497) 62	12.50 (1496) 14	12.50 (1501) 14	12.52 (1506) 17
JUN 06	12.58 (1255) 32	12.58 (1268) 40	12.61 (1296) 36	12.61 (1296) 2	12.60 (1312) 36	12.58 (1351) 49	12.57 (1370) 66	12.62 (1375) 15	12.62 (1379) 8	12.61 (1391) 21
JUL 06	13.17 (988) 22	13.17 (1001) 35	13.17 (1026) 34	13.17 (1026) 3	13.17 (1041) 27	13.17 (1077) 42	13.17 (1090) 48	13.20 (1092) 34	13.20 (1093) 5	13.22 (1094) 10
AUG 06	13.42 (946) 23	13.43 (959) 40	13.42 (983) 32	13.42 (983) 1	13.42 (1000) 24	13.42 (1036) 41	13.42 (1050) 48	13.45 (1052) 26	13.43 (1054) 6	13.45 (1056) 8
SEP 06	13.64 (1020) 18	13.64 (1020) 39	13.65 (1044) 31	13.65 (1044) 2	13.65 (1059) 22	13.65 (1095) 42	13.65 (1112) 53	13.69 (1111) 38	13.68 (1117) 9	13.70 (1120) 7
OCT 06	13.15 (974) 18	13.16 (975) 36	13.15 (1002) 31	13.15 (1004) 2	13.15 (1013) 20	13.15 (1041) 41	13.16 (1053) 44	13.21 (1052) 28	13.21 (1054) 8	13.22 (1054) 3
NOV 06	12.87 (931) 13	12.87 (933) 25	12.87 (958) 28	12.87 (958) 1	12.87 (973) 19	12.87 (1009) 41	12.87 (1021) 47	12.90 (1024) 17	12.90 (1026) 5	12.92 (1026) 3
DEC 06	12.76 (989) 13	12.76 (1002) 24	12.76 (1027) 27	12.76 (1027) 2	12.76 (1042) 17	12.76 (1078) 42	12.79 (1091) 45	12.82 (1093) 14	12.80 (1095) 6	12.83 (1093) 6
JAN 07	12.59 (69) 0	12.58 (69) 0	12.58 (69) 0	12.58 (69) 0	12.55 (71) 2	12.55 (71) 0	12.59 (78) 7	12.59 (84) 6	12.59 (84) 0	12.59 (84) 0
FEB 07	12.27 (65) 2	12.27 (65) 0	12.27 (65) 0	12.27 (65) 0	12.27 (65) 0	12.27 (65) 0	12.30 (75) 10	12.31 (75) 0	12.31 (77) 2	12.31 (78) 1
MAR 07	12.30 (51) 0	12.30 (51) 0	12.30 (51) 0	12.30 (51) 0	12.30 (51) 1	12.30 (51) 0	12.35 (66) 24	12.36 (67) 1	12.36 (69) 2	12.36 (69) 0
APR 07	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (15) 0	12.48 (19) 7	12.50 (19) 0	12.50 (35) 16	12.50 (35) 0
MAY 07	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.70 (3) 0	12.69 (3) 0	12.70 (18) 15	12.70 (19) 1	12.67 (21) 2	12.70 (23) 4
<b>CME - (CLASS IV) MILK FUTURES - Dollars per cwt.</b>										
NOV 05	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0	12.90 (5) 0
DEC 05	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0	12.80 (4) 0
<b>CME - BUTTER FUTURES -- Cents per pound</b>										
DEC 05	140.00 (133) 2	142.00 (128) 8	143.00 (127) 2	144.00 (125) 10	145.00 (123) 3	144.00 (120) 6	144.50 (117) 3	141.00 (115) 3	140.30 (111) 6	141.75 (113) 4
MAR 06	144.00 (138) 0	145.00 (139) 2	146.50 (140) 1	146.50 (140) 0	147.75 (140) 3	148.00 (141) 2	148.00 (146) 5	146.00 (148) 10	145.25 (149) 1	145.50 (150) 1
MAY 06	145.00 (122) 0	145.00 (122) 0	146.00 (122) 0	147.75 (122) 2	148.00 (123) 2	148.00 (123) 0	148.00 (123) 0	148.00 (123) 0	148.00 (123) 0	148.00 (123) 0
JUL 06	146.00 (127) 0	146.00 (127) 0	146.00 (127) 0	146.05 (127) 0	146.05 (127) 0	146.05 (127) 0	147.05 (127) 0	147.05 (127) 0	147.05 (127) 0	147.00 (125) 2
SEP 06	149.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0	150.00 (72) 0
OCT 06	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (20) 0	150.00 (22) 2	150.00 (22) 2
<b>CME - CASH BUTTER FUTURES -- Cents per pound</b>										
NOV 05	146.50 (107) 3	147.00 (105) 2	147.00 (105) 0	147.00 (105) 0	147.00 (105) 0	147.00 (105) 0	147.00 (105) 0	147.00 (105) 0	147.00 (105) 0	147.00 (97) 8
DEC 05	141.50 (37) 1	141.50 (37) 0	142.00 (37) 0	142.00 (37) 0	143.50 (37) 0	143.75 (37) 0	144.50 (37) 0	142.75 (39) 2	142.50 (46) 15	142.50 (46) 0
JAN 06	146.25 (53) 21	146.25 (53) 0	146.25 (57) 10	146.25 (57) 0	146.50 (57) 0	149.00 (61) 4	147.50 (61) 0	147.50 (61) 0	147.00 (69) 8	146.50 (79) 10
FEB 06	146.50 (34) 4	146.00 (34) 0	147.00 (52) 20	147.00 (52) 0	147.75 (52) 0	148.50 (52) 2	148.50 (52) 0	148.50 (52) 0	148.00 (59) 7	147.25 (63) 4
MAR 06	145.00 (36) 0	146.25 (36) 0	147.00 (49) 13	147.00 (49) 0	148.00 (49) 0	148.50 (51) 6	147.25 (63) 6	147.25 (63) 0	147.25 (69) 8	147.00 (72) 3
APR 06	146.00 (22) 5	146.25 (22) 0	146.00 (26) 4	146.00 (26) 0	146.50 (27) 1	147.75 (31) 6	147.75 (36) 5	147.75 (36) 0	148.00 (44) 10	147.75 (48) 4

1/ At the CME open interest for milk -- 200,000 pounds per contract. For more detailed information, you may call our automated voice system at 608-224-5088.



## INTERNATIONAL DAIRY MARKET NEWS

Information gathered November 14 - 25, 2005

Prices are U.S. \$/MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**WESTERN OVERVIEW:** Milk production in Europe is basically at seasonal low levels. Recent reports indicated that milk volumes have been running behind last season, but now some reports are stating that milk volumes are even with and, in instances, increasing above year ago levels. Temperatures have been mild throughout Europe during much of the fall, but now temperatures are becoming seasonally cooler. Grazing has ended, thus winter feed supplies are now being used. Milk producers are stating that winter feed stocks are in good supply with quality also in their favor. With milk volumes at seasonally low levels, manufacturing is also on the low side. Although manufacturing continues, a significant portion of current milk volumes are clearing to liquid milk bottlers. Buying interest continues to center around an internal or domestic need, although some traders are stating that international buyers are returning to the marketplace. Now that Ramadan is past, a few Middle Eastern buyers are now returning for immediate or near term shipments. Some buyers that had negotiated January – March shipments are asking suppliers/traders if these orders could be shipped any earlier. Some traders are questioning suppliers to see if this could occur and are being told that other traders are asking the same question. New international buyer interest is occurring, but no significant volumes are before reported. A few buyers are asking suppliers/traders if they could secure EU 15 supplies versus EU 25 stocks. Some Russian buyers are in the market looking for butter and cheese volumes for the upcoming winter months, but this buyer interest does not seem to be as aggressive as in past years.

**BUTTER/BUTTEROIL:** European butter markets are generally steady at unchanged prices. Stocks are available for both internal and international buyers. At this point, most sales activity has been for an internal or domestic market. Butter demand is on the increase as buyers prepare for the upcoming yearend holidays. A few traders indicate that Russian buyers are in the marketplace looking for butter for upcoming winter needs, although this buyer interest is lighter than recent years.

82% BUTTERFAT: 1,900 - 2,125  
99% BUTTERFAT: 2,400 - 2,700

**SKIM MILK POWDER (SMP):** Skim milk powder markets are unsettled with prices unchanged to slightly lower. A few traders and handlers are stating that they do not foresee further weakness in this market, but in fact anticipate firming prices in the near future. International buyers are returning to the marketplace which some traders feel is an indication that they also may be feeling that prices are about to turn around. Some sales are being acknowledged, but no significant volumes are reported. Some buyers that have negotiated purchases for early 2006 delivery are now questioning if these shipments could occur in 2005.

1.25% BUTTERFAT: 2,150 - 2,250

**WHOLE MILK POWDER (WMP):** Whole milk powder markets are unsettled as prices weaken somewhat. As with skim milk powder prices, traders and handlers feel that the weak trend will be short lived. Some international buyer interest is being reported, although most trading activity continues to center around internal or domestic sales. Traders feel that international buying interest will continue to build, especially for deliveries early in 2006.

26% BUTTERFAT: 2,150 - 2,250

**SWEET WHEY POWDER:** European whey markets remain firm, although prices at the top end of the reported range are weakening slightly. Demand remains strong for European sourced product. Cheese production is seasonally declining as milk volumes are basically at the lowest levels of the year. Whey volumes are in close balance with known needs, although additional stocks would probably sell.

NONHYGROSCOPIC: 650 - 800

**EASTERN OVERVIEW:** Milk production in Eastern Europe is nearing seasonal low levels. Milk volumes continue to run heavier than last year at this time, although recordable marketings are probably the main factor for the increase versus actual production increases. Stocks of manufactured dairy products are available in this region of Europe. In recent weeks, some international sales have occurred, but the majority of trading activity has centered within other EU 25 countries.

## OCEANIA

**OCEANIA OVERVIEW:** Milk production is past the peak in both New Zealand and Australia. In New Zealand, it appears that the seasonal peak occurred earlier than recent years and the peak was not as high as anticipated. Some reports indicate that output is running about 2% behind last season. Producers and handlers state that second half production is still questionable, but at this time, it does not appear that this period will generate enough additional milk to make up for first half losses. Producers on the North Island were more negatively impacted versus producers on the South Island. Although the season began quite positively, cold temperatures in late September and October, coupled with persistent rainfall are some of the negative factors limiting production growth. Conditions on the South Island were equally positive to start the season, although some production areas are now facing limited moisture for sustained pasture growth. In Australia, production continues to build from month to month. For September, the third month of the production year, cumulative output is running 0.9% ahead of last season. Annual projections continue to run in the 4% range. Australia has experienced 3 recent years of limited rainfall, but this year, sufficient moisture is falling in the major dairy producing areas. Output in Victoria, the major milk producing region of Australia, was 1.8% ahead of last September and is running 1.5% ahead of last year on a 3 month cumulative basis. Milk output in all other regions is also on the positive side except in South Australia where milk production is trailing last year by 6.8% on a cumulative basis. Although milk output in New Zealand has not attained projected levels, traders and handlers remain optimistic in that they will have sufficient volumes of manufactured dairy products for their commitments by possibly reaching out to their multi sources for supplies if needed. As has been the case for the past few years, Oceania traders are not acknowledging any additional spot buyer interest until they have a better feel as to how their supply/demand balance will be.

**BUTTER:** Oceania butter markets are generally steady at unchanged prices. Although milk production is past the peak in both Australia and New Zealand, milk volumes are heavy thus churning activity is seasonally strong. Some producers and handlers feel that surplus milk, when possible, is being directed toward butter/powder production, which should enhance stocks of both of these products. Sales activity continues to center around regular and ongoing customer needs with very little, if any at all, clearing to spot buyers.

82% BUTTERFAT: 1,900 - 2,200

**CHEDDAR CHEESE:** Cheese markets are generally steady at unchanged prices. Cheese production is seasonally strong, although peak milk production has passed. Stocks of cheese are available for customer needs, although spot availability is limited. Sales negotiations continue with regular and ongoing customers.

39% MAXIMUM MOISTURE: 2,750 - 3,050

**SKIM MILK POWDER (SMP):** Skim milk powder markets remain steady at firm prices. Traders and handlers are stating that questionable milk production, especially in New Zealand, may have an impact on available stocks during the second half of the season. Although it is still early in this period, traders and handlers remain optimistic that second half milk production will be able to replenish some of the first half's losses. Current powder production is seasonally strong as milk volumes remain heavy. Trading activity continues to centered around previous contract sales, with minimal amounts, if any, reported to be available for spot buyers.

1.25% BUTTERFAT: 2,150 - 2,325

**WHOLE MILK POWDER (WMP):** Oceania whole milk powder markets remain firm with prices adjusting slightly. Stocks of powder are available for immediate and future deliveries, although questionable milk production in New Zealand has some traders and handlers concerned about future supplies. Most sales transactions continue to center around ongoing customer needs with very little, if any stock available for spot buyers.

26% BUTTERFAT: 2,200 - 2,350

Exchange rates for selected foreign currencies: November 21, 2005

.8451 Canadian Dollar	.0219 Indian Rupee
.3403 Argentina Peso	.6893 New Zealand Dollar
.0940 Mexican Peso	.7364 Australian Dollar
.2947 Polish Zloty	.0084 Japanese Yen
	1.1727 Euro

To compare the value of 1 US Dollar to Mexican Pesos: (1/.0940)=  
10.6383 Mexican Pesos. Source: "Wall Street Journal"



## MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

## U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	SEP 30, 2003	SEP 30, 2004	REVISED SEP 30, 2005	OCT 31, 2003	OCT 31, 2004	OCT 31, 2005
Butter	207,175	133,008	124,061	170,154	107,152	100,528
Cheese, Natural American	516,845	553,884	551,391	491,098	528,234	524,586
Cheese, Swiss	22,884	26,992	24,238	22,044	26,155	25,457
Cheese, Other Natural	222,424	209,841	189,728	209,264	201,729	187,057
Total Cheese	762,153	790,717	765,357	722,406	756,178	737,100

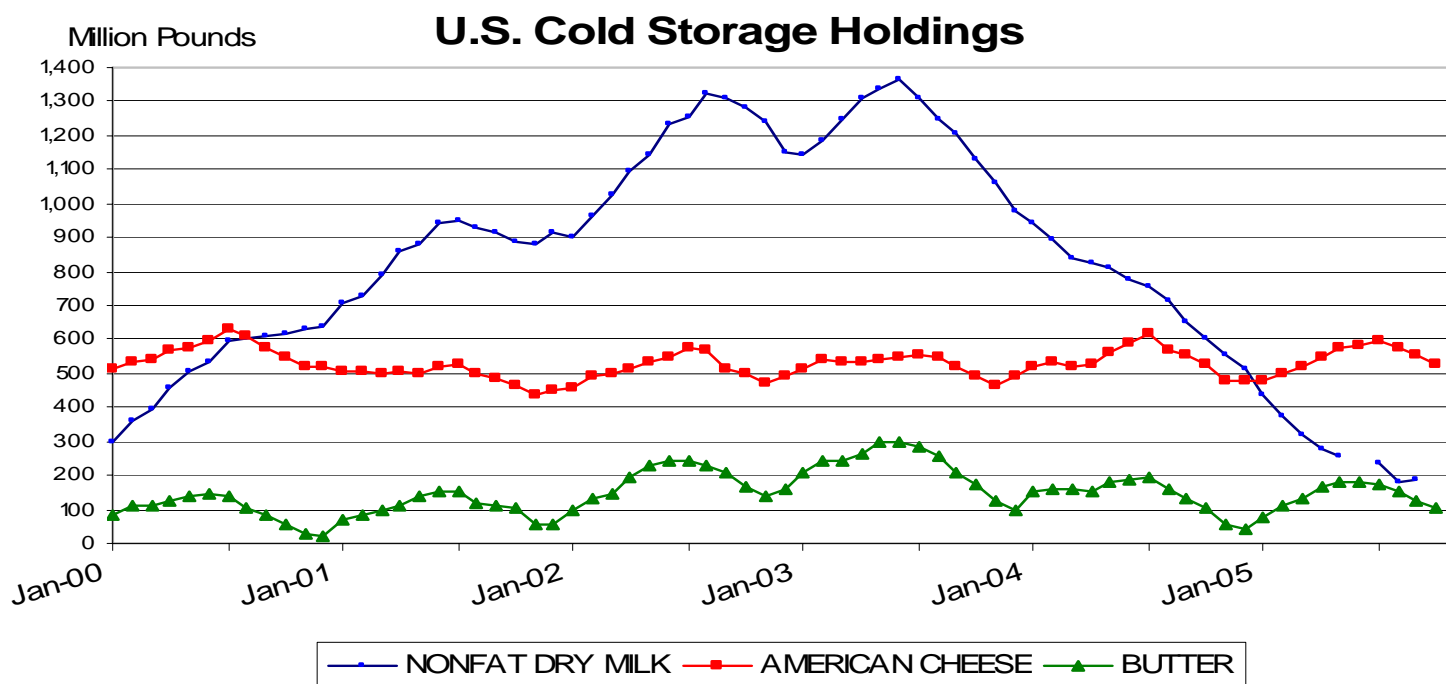
## U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS

Butter	10,172	50	44	11,084	91	40
Natural American Cheese	8,836	6,454	844	9,473	6868	844

## OCTOBER STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
New England	20,202	22,854	24,575	---	---	---	256	424	34
Middle Atlantic	48,260	60,314	52,597	---	---	---	14,417	11,157	11,624
East North Central	201,472	206,298	202,054	---	---	---	121,963	115,771	104,594
West North Central	107,907	116,941	110,168	---	---	---	53,099	56,008	53,021
South Atlantic	116	5,074	5,659	---	---	---	1,892	146	105
East South Central	188	308	427	---	---	---	2,205	2,228	2,483
West South Central	3,345	2,005	5,372	---	---	---	104	104	448
Mountain	16,562	26,274	35,663	---	---	---	3,614	6,131	782
Pacific	93,046	88,166	88,071	---	---	---	11,714	9,760	13,966
TOTAL	491,098	528,234	524,586	170,154	107,152	100,528	209,264	201,729	187,057

\*Regional breakdowns are not reported to avoid possible disclosure of individual operations.



## COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2004 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004
	Million Pounds						Million Pounds						Million Pounds					
January	77	152	77	151	<u>3/</u>	1	479	518	475	508	4	10	440	945	83	109	357	836
February	111	159	111	158	<u>3/</u>	1	497	533	494	523	3	10	374	896	79	95	296	800
March	132	158	132	158	<u>3/</u>	1	518	521	517	511	2	10	321	841	84	80	236	761
April	165	156	164	155	<u>3/</u>	<u>3/</u>	549	526	547	517	2	10	276	826	108	104	168	723
May	178	179	178	178	<u>3/</u>	<u>3/</u>	578	559	577	549	1	10	259	814	113	123	147	691
June	180	189	179	189	<u>3/</u>	<u>3/</u>	581	591	581	582	3/	9	NA	774	116	146	NA	628
July	177	194	177	193	<u>3/</u>	<u>3/</u>	595	616	594	609	1	7	235	755	120	161	116	594
August	150	161	150	161	<u>3/</u>	<u>3/</u>	573	569	572	562	1	7	177	716	110	149	67	567
September	124	133	124	133	<u>3/</u>	<u>3/</u>	551	554	551	547	1	6	185	650	98	127	87	523
October	101	107	100	107	<u>3/</u>	<u>3/</u>	525	528	524	521	1	7		602		116		486
November		57		57	<u>3/</u>			481		476		5		552		94		458
December		45		45	<u>3/</u>			481		476		5		512		99		413

NA = Not available.

1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Sep 30, 2003	Sep 30, 2004	Sep 30, 2005	Oct 31, 2003	Oct 31, 2004	Oct 31, 2005
	Thousand Pounds					
Butter	197,003	132,958	124,017	159,070	107,061	100,488
Natural American Cheese	508,009	547,430	550,547	481,625	521,366	523,742

1/ Total holdings minus Government owned holdings. For more information, see page 9 of this report.

**SOURCE:** "Cold Storage," Co St 1 (11-05) and "Dairy Products," Da 2-6 (11-05), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

## THE DAIRY OUTLOOK

### Heavy Supplies Squeeze Butter and Cheese Prices

Heavy milk supplies have eroded butter and cheese prices since mid-September, despite brisk sales and moderate stocks. Price declines were fairly steady through October, with attempted reversals not sustained for any amount of time. Summer increases in milk production from a year earlier were in excess of 4 percent, and early autumn rises probably were at least as large. Recent price patterns are likely to continue through yearend, although temporary increases are always possible if holiday demand is enough to pinch seasonally tight supplies.

August-September cheese production grew more than 4 percent from a year earlier, with the largest gains in Mozzarella and some additional varieties other than Cheddar. This extra cheese was absorbed fairly easily as October 1 commercial stocks of all cheese were close to a year earlier. However, soaking up such large increases in output over an extended time without swelling pipeline holdings is unusual. Buyers also may have refrained from buying their late holiday season supplies in a slipping market. Prices on the Chicago Mercantile Exchange (CME) fell about 20 cents per pound between mid-September and mid-November. Steady to declining prices are likely during the rest of the year, although small bumps are possible if pipelines get drained alarmingly.

Patterns in the butter market were quite similar to cheese. Late summer production posted sizable increases from a year earlier. Commercial holdings on October 1 were still modestly below a year earlier, although weekly declines in the stocks reported to the CME indicated that the October decrease may not have been as dramatic as a year ago. Mid-November CME prices were about 30 cents below 2 months earlier. Autumn butter prices typically are prone to surprises because of the uncertain balance of very strong demand for milkfat products facing relatively large pipeline stocks. However, prices this year are expected to trend weaker.

The full weight of growing milk supplies probably will be felt after holiday needs are met. Supplies are expected to overcome fairly good demand and lower dairy product prices. Even so, prices are projected to remain relatively robust through the winter. The pattern of winter prices will set the tone for dairy markets during the rest of 2006.

Nonfat dry milk prices are largely independent of other domestic prices because of the overwhelming effects of the international market. Since summer, prices generally have crept higher as they more fully adjusted to the international price. International powder markets appear firm. Although peak seasonal supplies are starting to be available from Southern Hemisphere producers, these exporters reportedly are holding supplies with confidence. Northern Hemisphere exporters have rather limited supplies, even with the expansion in U.S. output. International prices (and correspondingly U.S. prices) are expected to stay fairly strong in coming months.

**SOURCE:** "Livestock, Dairy, and Poultry Outlook", LDP-M-137, November 17, 2005, Economic Research Service, USDA. For more information, contact James J. Miller, (202) 694-5184.

**ANNOUNCED COOPERATIVE CLASS I PRICES FOR SELECTED CITIES IN FEDERAL MILK  
ORDERS, DECEMBER 2005, WITH COMPARISONS 1/**

For December 2005, the all-city average announced cooperative Class I price was \$17.82 per cwt., \$1.72 higher than the Federal milk order Class I price average for these cities. The December cooperative Class I price was \$.90 lower than the November price, while the December Federal order Class I price was \$.99 lower. On an individual city basis, the difference between the Federal order and announced cooperative Class I price ranged from \$.15 in Phoenix, AZ, to \$3.24 in Miami, FL. For December 2004, the all-city average announced cooperative Class I price was \$18.42, \$1.46 higher than the Federal order Class I price average for these cities.

City	December 2005		
	Announced Cooperative Class I Price	Federal Milk Order Class I Price	Difference
	Dollars per hundredweight, 3.5% butterfat		
Atlanta, GA	18.84	16.67	2.17
Baltimore, MD	18.37	16.57	1.80
Boston, MA	18.32	16.82	1.50
Charlotte, NC	18.84	16.67	2.17
Chicago, IL	18.06	15.37	2.69
Cincinnati, OH	17.65	15.77	1.88
Cleveland, OH	17.45	15.57	1.88
Dallas, TX	17.72	16.57	1.15
Denver, CO	16.97	16.12	0.85
Des Moines, IA	17.13	15.37	1.76
Detroit, MI	17.24	15.37	1.87
Hartford, CT	18.22	16.72	1.50
Houston, TX	18.32	17.17	1.15
Indianapolis, IN	17.45	15.57	1.88
Kansas City, MO	16.82	15.57	1.25
Louisville, KY	17.94	15.77	2.17
Memphis, TN	18.34	16.37	1.97
Miami, FL	21.11	17.87	3.24
Milwaukee, WI	18.01	15.32	2.69
Minneapolis, MN	17.26	15.27	1.99
New Orleans, LA	19.14	17.17	1.97
Oklahoma City, OK	17.37	16.17	1.20
Omaha, NE	16.88	15.42	1.46
Philadelphia, PA	18.84	16.62	2.22
Phoenix, AZ	16.07	15.92	0.15
Pittsburgh, PA	17.84	15.67	2.17
St. Louis, MO	17.22	15.57	1.65
Seattle, WA	15.89	15.47	0.42
Springfield, MO	16.97	15.77	1.20
Washington, DC	18.37	16.57	1.80
Simple Average	17.82	16.10	1.72

1/ This table contains information obtained from the Class I price announcements sent by the major cooperative in each city market to all handlers who buy milk from them. These over-order prices include charges for various services performed by the cooperative. In some instances, these over-order prices may not include all credits that may be allowed. These prices have not been verified as having been actually paid by handlers.



## FEDERAL MILK ORDER ADVANCE PRICES, DECEMBER

**Class I Base Price** - Under the Federal milk order pricing system, the Class I base price for December 2005 is \$13.57 per cwt. This price is derived from the advanced Class III skim milk pricing factor of \$8.03 and the advanced butterfat pricing factor of \$1.6633. A Class I differential for each order's principal pricing point (county) is added to the base price to determine the Class I price. **Comparison to Previous Month.** - Compared to November 2005, the Class I base price decreased \$0.99 per cwt. For selected consumer products, the price changes are: whole milk (3.25% milk fat), - \$0.96 per cwt., -\$0.083 per gallon; reduced fat milk (2%), - \$0.76 per cwt., - \$0.066 per gallon; fat-free (skim milk), -0.53 per cwt., -\$0.046 per gallon. **Class II Price Information** - The advanced Class IV skim milk pricing factor is \$7.52. Thus, the Class II skim milk price for December is \$8.22 per cwt., and the Class II nonfat solids price is \$0.9133. **Product Price Averages** - The two-week product price averages for December are: butter \$1.5011, nonfat dry milk \$0.9834, cheese \$1.4213, and dry whey \$0.3084.

FEDERAL MILK ORDER CLASS I PRICE INFORMATION <u>1/</u> <u>2/</u>				
Federal Milk Order Marketing Area <u>3/</u>	Order Number	December 2005		
		Class I Price (3.5 %)	Class I Skim Milk Price	Class I Butterfat Price
		\$ per cwt.	\$ per cwt.	\$ per pound
Northeast (Boston) <u>4/</u>	001	16.82	11.28	1.6958
Appalachian (Charlotte) <u>5/</u>	005	16.67	11.13	1.6943
Southeast (Atlanta) <u>6/</u>	007	16.67	11.13	1.6943
Florida (Tampa) <u>7/</u>	006	17.57	12.03	1.7033
Mideast (Cleveland) <u>8/</u>	033	15.57	10.03	1.6833
Upper Midwest (Chicago) <u>9/</u>	030	15.37	9.83	1.6813
Central (Kansas City) <u>10/</u>	032	15.57	10.03	1.6833
Southwest (Dallas) <u>11/</u>	126	16.57	11.03	1.6933
Arizona-Las Vegas (Phoenix) <u>12/</u>	131	15.92	10.38	1.6868
Pacific Northwest (Seattle) <u>13/</u>	124	15.47	9.93	1.6823
All-Market Average		16.22	10.68	1.6898

1/ To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. 2/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. 3/ Names in parentheses are the major city in the principal pricing point of the markets. 4/ Class I prices at other cities are: New York City, minus \$0.10; Philadelphia, minus \$0.20; Baltimore, minus \$0.25, and Washington, DC, minus \$0.25. 5/ Class I prices at other cities are: Knoxville, minus \$0.30 and Louisville, minus \$0.90. 6/ Class I prices at other cities are: New Orleans; plus \$0.50; Memphis, minus \$0.30; Nashville, minus \$0.50; and Springfield, Mo., minus \$0.90. 7/ Class I prices at other cities are: Orlando, same; Miami, plus \$0.30; and Jacksonville, minus \$0.30. 8/ Class I prices at other cities are: Indianapolis, same; Cincinnati, plus \$0.20; Pittsburgh, plus \$0.10; and Detroit, minus \$0.20. 9/ Class I prices at other cities are: Milwaukee, minus \$0.05; and Minneapolis, minus \$0.10. 10/ Class I prices at other cities are: Des Moines, minus \$0.20; Omaha, minus \$0.15; Oklahoma City, plus \$0.60; St. Louis, same; and Denver plus \$0.55. 11/ Class I prices at other cities are: Houston, plus \$0.60; San Antonio, plus \$0.45; Albuquerque, minus \$0.65; and El Paso, minus \$0.75. 12/ Class I price at Las Vegas is minus \$0.35. 13/ Class I prices at other cities are: Portland, same; and Spokane, same.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	FOR THE PERIOD OF NOVEMBER 21 - 22, 2005			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/05	SAME PERIOD LAST YEAR	WEEK ENDING 11/18/05	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	-0-	-0-	-0-	-0-	36,775,640	-0-	-0-
Fortified	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	36,775,640	-0-	-0-

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
PERIOD OF NOVEMBER 21 - 22, 2005 =	0.0	0.0	COMPARABLE PERIOD IN 2004 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 2005 =	0.0	0.0	CUMULATIVE SAME PERIOD LAST YEAR =	8.1	428.1
CUMULATIVE JAN. 1 - NOV. 22, 2005 =	0.0	0.0	COMPARABLE CALENDAR YEAR 2004 =	61.3	3,290.9

\* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/05 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
CENTRAL	-0-	-0-	-0-	-0-	-0-	1,331,567	0.0	3.6
WEST	-0-	-0-	-0-	-0-	-0-	34,373,470	0.0	93.5
EAST	-0-	-0-	-0-	-0-	-0-	1,070,603	0.0	2.9
TOTAL	-0-	-0-	-0-	-0-	-0-	36,775,640	0.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 11/05/05 & Comparable Week 2004

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK	SINCE JAN 1	WEEK	SINCE JAN 1
2005-Dairy	N.A.	0.6	7.1	3.1	17.4	3.3	0.5	N.A.	16.6	2.3	52.2	1,931.2	47.2	47.4
2004-Dairy	N.A.	0.7	7.0	2.6	16.4	2.7	0.7	N.A.	14.0	2.4	47.3	2,020.7	44.7	46.6
2005-All cows	N.A.	0.6	8.9	12.8	32.1	18.2	12.6	N.A.	19.2	2.7	110.6	4,074.0		
2004-All cows	N.A.	0.8	8.7	13.1	30.8	13.6	13.1	N.A.	16.6	6.1	105.8	4,336.2		

**SOURCE:** The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA. 1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87
2004	11.61	11.89	14.49	19.66	20.58	17.68	14.85	14.04	14.72	14.16	14.89	16.14

FEDERAL MILK ORDER CLASS PRICES FOR 2005 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	16.65	13.79	15.43	14.13	14.80	13.62	13.89	14.44	13.70	14.27	14.56	13.57
II	13.04	13.36	13.25	13.24	12.78	13.06	13.79	13.95	14.35	14.25		
III	14.14	14.70	14.08	14.61	13.77	13.92	14.35	13.60	14.30	14.35		
IV	12.52	12.74	12.66	12.61	12.20	12.33	13.17	13.44	13.75	13.61		

1/ Specific order differentials to be added to this base price are located at [www.ams.usda.gov/dyfm05/mib/cis\\_prod\\_cmp\\_pr.htm](http://www.ams.usda.gov/dyfm05/mib/cis_prod_cmp_pr.htm)